



## **Texas Department of Insurance**

### **Division of Workers' Compensation**

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645

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## **MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION**

### **GENERAL INFORMATION**

#### **Requestor Name and Address**

HARRIS METHODIST HEB  
3255 W PIONEER PARKWAY  
ARLINGTON TX 76013

DWC Claim #:  
Injured Employee:  
Date of Injury:  
Employer Name:  
Insurance Carrier #:

#### **Respondent Name**

TWIN CITY FIRE INSURANCE CO

#### **Carrier's Austin Representative Box**

Box Number 47

#### **MFDR Tracking Number**

M4-09-6848-01

#### **MFDR Date Received**

MARCH 11, 2009

### **REQUESTOR'S POSITION SUMMARY**

**Requestor's Position Summary:** "Medicare would have reimbursed the provider at the base APC rate of \$2685.49 for APC # 0054. Allowing this at 200% would yield a fair and reasonable allowance of \$5370.98, but per the multiply procedure ruling the correct allowable would be 50%, so the correct allowable is \$ 2685.49. And again, Medicare would have reimbursed the provider at the base APC rate of \$1798.02 for APC # 41 Allowing this at 200% would yield a fair and reasonable allowance of \$3596.04, but per the multiply procedure ruling the correct allowable would be 50%, so the correct allowable is \$ 1798.02. Based on your payment of \$4,041.25, for the APC a supplemental payment is still due of \$6,153.36."

**Amount in Dispute:** \$6,153.36

### **RESPONDENT'S POSITION SUMMARY**

**Respondent's Position Summary as stated on the Table of Disputed Services:** "Carrier reimbursed per Texas fee guidelines. Qmedtrix repricing vendor."

**Response Submitted by:** Twin City fire Insurance Co., 300 S. State St., Syracuse, NY 13202

### **SUMMARY OF FINDINGS**

Date(s) of Service	Disputed Services	Amount In Dispute	Amount Due
March 24, 2008	Outpatient Hospital Services	\$6,153.36	\$2,433.79

### **FINDINGS AND DECISION**

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

#### **Background**

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.403, titled *Hospital Facility Fee Guideline – Outpatient*, sets out the

reimbursement guidelines for facility services provided in an outpatient acute care hospital.

3. 28 Texas Administrative Code §134.203, titled *Medical Fee Guideline for Professional Services*, sets out the reimbursement for guidelines for professional medical services.
4. The services in dispute were reduced/denied by the respondent with the following reason codes:  
Explanation of benefits dated April 29, 2008, April 30, 2008, and December 18, 2008
  - W1 – WC State Fee Sched Adjust. Reimbursement according to the Texas Medical Fee Guidelines.
  - W10 – No maximum allowable defined by fee guideline. Reimbursement made based on ins carrier fair and reasonable reimbursement methodology.
  - 89 – Professional fees removed from charges. Paid per technical component of radiology service.
  - S301 – This service is included in primary or more extensive procedure.
  - S351 – This service is considered a part of the global surgical package.
  - 97 – Payment is included in the allowance for another service/procedure.

### **Issues**

1. Are the disputed services subject to a contractual agreement between the parties to this dispute?
2. What is the applicable rule for determining reimbursement for the disputed services?
3. What is the recommended payment amount for the services in dispute?
4. Is the requestor entitled to reimbursement?

### **Findings**

1. Review of the submitted documentation finds no information to support a contractual agreement between the parties to this dispute.
2. This dispute relates to facility services performed in an outpatient hospital setting with reimbursement subject to the provisions of 28 Texas Administrative Code §134.403, which requires that the reimbursement calculation used for establishing the maximum allowable reimbursement (MAR) shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the Federal Register with the application of minimal modifications as set forth in the rule. Per §134.403(f)(1), the sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 200 percent, unless a facility or surgical implant provider requests separate reimbursement of implantables. Review of the submitted documentation finds that separate reimbursement for implantables was not requested.
3. Under the Medicare Outpatient Prospective Payment System (OPPS), each billed service is assigned an Ambulatory Payment Classification (APC) based on the procedure code used, the supporting documentation and the other services that appear on the bill. A payment rate is established for each APC. Depending on the services provided, hospitals may be paid for more than one APC per encounter. Payment for ancillary and supportive items and services, including services that are billed without procedure codes, is packaged into payment for the primary service. A full list of APCs is published annually in the OPPS final rules which are publicly available through the Centers for Medicare and Medicaid Services (CMS) website. Reimbursement for the disputed services is calculated as follows:
  - Procedure code 36415 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to §134.203, the Medical Fee Guideline for Professional Services. The fee listed for this code in the applicable Medicare fee schedule is \$3.00. 125% of this amount is \$3.75. The recommended payment is \$3.75.
  - Procedure code 80053 has a status indicator of A, which denotes services paid under a fee schedule or payment system other than OPPS. Per 28 Texas Administrative Code §134.403(h), for outpatient services for which Medicare reimburses using fee schedules other than OPPS, reimbursement is made using the applicable Division fee guideline in effect for that service on the date the service was provided. Payment for this service is calculated according to §134.203, the Medical Fee Guideline for Professional Services. The fee listed for this code in the applicable Medicare fee schedule is \$14.77. 125% of this amount is \$18.46. The recommended payment is \$18.46.
  - Procedure code 88304 has a status indicator of X, which denotes ancillary services paid under OPPS with separate APC payment. This service is classified under APC 343, which, per OPPS Addendum A, has a payment rate of \$32.75. This amount multiplied by 60% yields an unadjusted labor-related amount of

\$19.65. This amount multiplied by the annual wage index for this facility of 0.9681 yields an adjusted labor-related amount of \$19.02. The non-labor related portion is 40% of the APC rate or \$13.10. The sum of the labor and non-labor related amounts is \$32.12. The cost of this service does not exceed the annual fixed-dollar threshold of \$1,575. The outlier payment amount is \$0. The total APC payment for this service, including outliers, is \$32.12. This amount multiplied by 200% yields a MAR of \$64.25.

- Procedure code 88311 has a status indicator of X, which denotes ancillary services paid under OPPS with separate APC payment. This service is classified under APC 433, which, per OPPS Addendum A, has a payment rate of \$15.27. This amount multiplied by 60% yields an unadjusted labor-related amount of \$9.16. This amount multiplied by the annual wage index for this facility of 0.9681 yields an adjusted labor-related amount of \$8.87. The non-labor related portion is 40% of the APC rate or \$6.11. The sum of the labor and non-labor related amounts is \$14.98. The cost of this service does not exceed the annual fixed-dollar threshold of \$1,575. The outlier payment amount is \$0. The total APC payment for this service, including outliers, is \$14.98. This amount multiplied by 200% yields a MAR of \$29.96.
- Procedure code 23412 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T procedure is paid at 100%; all others are paid at 50%. This procedure is paid at 100%. This service is classified under APC 51, which, per OPPS Addendum A, has a payment rate of \$2,737.89. This amount multiplied by 60% yields an unadjusted labor-related amount of \$1,642.73. This amount multiplied by the annual wage index for this facility of 0.9681 yields an adjusted labor-related amount of \$1,590.33. The non-labor related portion is 40% of the APC rate or \$1,095.16. The sum of the labor and non-labor related amounts is \$2,685.49. If the total cost for a service exceeds 1.75 times the OPPS payment and also exceeds the annual fixed-dollar threshold of \$1,575, the outlier payment is 50% of the amount by which the cost exceeds 1.75 times the OPPS payment. Per the OPPS Facility-Specific Impacts file, CMS lists the cost-to-charge ratio for this provider as 0.231. This ratio multiplied by the billed charge of \$2,020.63 yields a cost of \$466.77. The total cost of all packaged items is allocated proportionately across all separately paid OPPS services based on the percentage of the total APC payment. The APC payment for this service of \$2,685.49 divided by the sum of all APC payments is 73.46%. The sum of all packaged costs is \$1,548.03. The allocated portion of packaged costs is \$1,137.12. This amount added to the service cost yields a total cost of \$1,603.88. The cost of this service exceeds the annual fixed-dollar threshold of \$1,575. The amount by which the cost exceeds 1.75 times the OPPS payment is \$0.00. The total APC payment for this service, including outliers and any multiple procedure discount, is \$2,685.49. This amount multiplied by 200% yields a MAR of \$5,370.97.
- Per Medicare policy, procedure code 29826 is included in, or mutually exclusive to, another code billed on the same date of service. Separate payment is not recommended.
- Procedure code 29824 has a status indicator of T, which denotes a significant procedure subject to multiple procedure discounting. The highest paying status T procedure is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. This service is classified under APC 41, which, per OPPS Addendum A, has a payment rate of \$1,833.13. This amount multiplied by 60% yields an unadjusted labor-related amount of \$1,099.88. This amount multiplied by the annual wage index for this facility of 0.9681 yields an adjusted labor-related amount of \$1,064.79. The non-labor related portion is 40% of the APC rate or \$733.25. The sum of the labor and non-labor related amounts is \$1,798.04. The cost of this service does not exceed the annual fixed-dollar threshold of \$1,575. The outlier payment amount is \$0. The total APC payment for this service, including outliers and any multiple procedure discount, is \$899.02. This amount multiplied by 200% yields a MAR of \$1,798.04.
- Procedure code J0170 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
- Procedure code J0690 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
- Procedure code J1100 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
- Procedure code J2250 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
- Procedure code J3010 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
- Procedure code J7120 has a status indicator of N, which denotes packaged items and services with no separate APC payment; payment is packaged into the reimbursement for other services, including outliers.
- Procedure code 93005 has a status indicator of S, which denotes a significant procedure not subject to

multiple procedure discounting, paid under OPPS with separate APC payment. This service is classified under APC 99, which, per OPPS Addendum A, has a payment rate of \$24.79. This amount multiplied by 60% yields an unadjusted labor-related amount of \$14.87. This amount multiplied by the annual wage index for this facility of 0.9681 yields an adjusted labor-related amount of \$14.40. The non-labor related portion is 40% of the APC rate or \$9.92. The sum of the labor and non-labor related amounts is \$24.32. The cost of this service does not exceed the annual fixed-dollar threshold of \$1,575. The outlier payment amount is \$0. The total APC payment for this service, including outliers, is \$24.32. This amount multiplied by 200% yields a MAR of \$48.63.

4. The total recommended payment for the services in dispute is \$7,334.06. This amount less the amount previously paid by the insurance carrier of \$4,900.27 leaves an amount due to the requestor of \$2,433.79.

### **Conclusion**

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$2,433.79.

### **ORDER**

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$2,433.79, plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

### **Authorized Signature**

_____ Signature	_____ Medical Fee Dispute Resolution Officer	_____ August 22, 2012 Date
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### **YOUR RIGHT TO APPEAL**

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision* together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party.****

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**